

Indiana Coal Research Grant Program

Program Guidelines



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Introduction

The Indiana Coal Research Grant Program was created to help Indiana businesses undertake coal research projects that promote the economical, efficient and environmentally responsible use of Indiana coal. It focuses on project partnerships among local and regional organizations, researchers, industry, utilities and government. The program was established under Public Law 24-93 as a result of the unanimous passage of Senate Enrolled Act 516 (1993), which addressed recommendations of the Indiana Energy Policy Forum.

Grants of up to \$100,000 per project will be made available to successful applicants; however, consideration for higher funding levels can be given to projects that demonstrate extraordinary merit. Administration and staffing for the program is performed by the Indiana Department of Commerce, Energy Policy Division (EPD). Final funding decisions are made by the Recycling and Energy Development Board (REDB). Projects should involve research that focuses on Indiana coal, has near-term commercialization potential, does not duplicate the work of others, and capitalizes on in-state expertise.

Eligibility

Eligible Applicants

Eligibility for this grant program is limited to individuals, businesses, universities, or institutions that operate in the state of Indiana or that will operate in the state as a result of the project. This does not preclude entities located outside the state of Indiana from cost-sharing and participating in the project.

Eligible Projects

All projects must occur in Indiana. Eligible projects may address education and public outreach projects, innovative research and development programs, bench scale demonstration projects, pilot or demonstration plants, and field demonstrations such as the use of coal combustion by-products. Projects may be associated with new or existing facilities and may be located at industrial sites, electric utility plants, coal mines, laboratories, universities, or commercial facilities.

Eligible Research Projects

Projects should be planned for a two-year operating period or less. All projects must involve the use of Indiana coal. Topics that are of particular interest for program funding include the following:

- a. Production of fuels and chemicals from coal;
- b. Coal use by the metals industry;
- c. Advanced power generation systems;
- d. Systems for reducing coal wastes through processing and recovery of marketable by-products from coal production and coal combustion;
- e. Pollution controls to meet new or emerging areas on environmental regulations;
- f. Innovative mining and recovery techniques;
- g. Analysis of geologic information that defines coal characteristics, particularly with regard to developing regulatory areas (such as mercury and arsenic); and
- h. Projects that promote public education and knowledge about coal use and its effects in Indiana.

This list of projects is not intended to be exclusive, however, and projects of importance to the Indiana coal industry and that demonstrate exceptional innovativeness and merit may also be considered.

Program Evaluation Criteria

Each project application will be evaluated according to the criteria below:

- **Likelihood of benefit to the Indiana coal industry or industries using Indiana coal.**
- **Project soundness.** Applicants should demonstrate that the proposed project is appropriate and technically feasible. Applicants should also demonstrate that the proposed project is economically sound. Proposals should include a clear work plan that is tied to the stated goals of the project.
- **Project innovativeness.** Emphasis is upon the development of new processes, techniques, or technologies, rather than projects that, while potentially beneficial, largely duplicate the work of others.
- **Previous development work and readiness to proceed.** The applicant should demonstrate appropriate expertise and experience, as well as the ability to quickly implement the proposed project.
- **Multiple partners.** Projects with several partners are preferred, particularly those that include joint participation between researchers and industry. This helps to ensure the transfer of project results and fosters technology commercialization. Proposed partners should be those that are appropriate to a given type of project (e.g. mining companies or utilities for coal characterization studies).
- **Technical transfer of project results.** Applicants should describe plans for dissemination of project results, such as by presentation at technical conferences or publication in peer-reviewed journals.
- **Incremental gains from funding.** Coal Research Grant funds should serve to increase the resources, expand the scope of the research, and strengthen the overall project.
- **Pollution prevention benefits.** Projects are favored that help achieve greater efficiency in the conversion of coal to useful energy and that exceed applicable environmental standards.
- **Research commercialization potential.** Projects should have market application potential within Indiana industry in less than 10 years. Consideration is given to the projected magnitude of benefits to Indiana should the research be commercialized.
- **Matching funds.** EPD funds cannot exceed 50% of overall project costs. Projects with matching funds that exceed 50% are preferred. Matching funds in the form of cash funding (as opposed to in-kind contributions or indirect costs) are also preferred.

Grant Parameters

Grant Amounts

Ordinarily, the maximum grant available per project is \$100,000; however, consideration for higher funding levels can be given to projects that demonstrate extraordinary merit. In no case will an award be made that exceeds \$200,000. Matching funds are required for all projects. EPD funds shall not exceed one-half of the total project costs.

Matching Investment

Grants will be made in conjunction with project investments by private-sector lending sources, equity from owners or investors, or other sources.

Eligible Costs

EPD funds for this program may apply to equipment, personnel, supplies, and contractual and other direct costs that are integral to the project. Only costs incurred after the execution of the grant agreement are eligible for funding.

Evaluation Procedure

The Energy Policy Division serves as staff for the REDB and will review each eligible project application that is received. Projects will be evaluated in terms of the program objectives. Final funding approval will be made by the REDB.

Only complete applications are eligible for financial assistance. Deficiencies in project applications will delay application review and could disqualify the project from further consideration.

In addition to the required information, both the REDB and the EPD reserve the right to request additional information from the applicant that will further clarify any of the project's aspects.

Grant Agreement

A decision by REDB to fund a project is an agreement in principle and not a final commitment to expend funds. A formal contract that establishes the terms of the grant and its management conditions must be negotiated by the recipient and the EPD.

As part of the basic requirements for a grant agreement, successful applicants must agree to provide the following information: quarterly project status reports, financial reports, and a comprehensive final report no later than three months after the end of the funding period.

Application Process

Application for financial assistance under the Coal Research Grant Program can be made only in response to a specific Request for Proposals. The process for evaluating applications involves three steps.

- Interested applicants must submit a proposal letter (no longer than four pages) to the Indiana Department of Commerce, Energy Policy Division, outlining the proposed project. Proposal letters should provide a well-written, brief description of the applicant's proposed research, the project participants, the funding requested, the project's location and timeframe, and the benefits of the project to Indiana. Not more than two 8 1/2" x 11" diagrams may be included. This letter should not contain any proprietary data or confidential business information. The EPD will review each proposal letter to ensure compliance with program guidelines and to determine if the project will be competitive for funding given available resources.
- If the proposal letter is approved, the EPD will invite applicants to submit a formal application. This application should respond fully to the criteria listed in the Program Evaluation Criteria specified above. Unsolicited applications will not be reviewed. EPD staff will review proposals for completeness and responsiveness to the evaluation criteria above. EPD staff will recommend proposals for consideration by the REDB.
- The REDB meets quarterly to make final decisions regarding whether to fund specific projects. At its meeting, the REDB may also provisionally approve applications, pending the completion of further conditions or the provision of additional information about the proposed project.

For More Information

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